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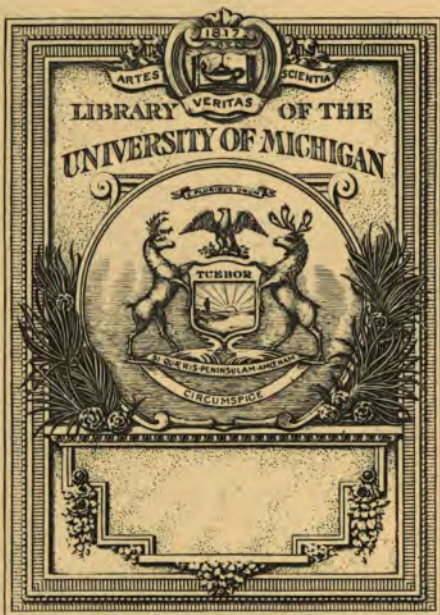
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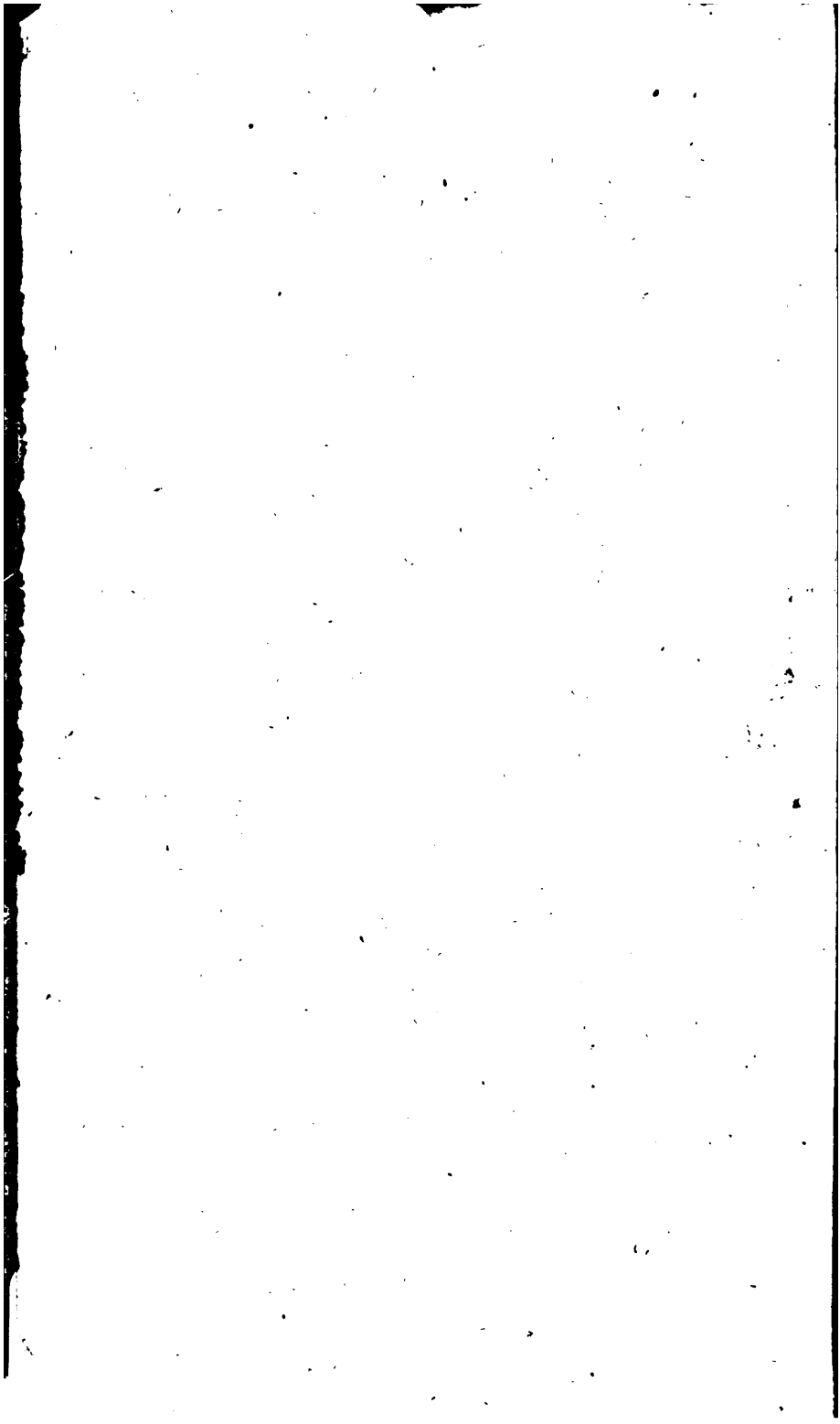
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ORIGINAL PAPERS

RELATIVE TO THE

RIGHTS AND PRETENSIONS

OF THE

NABOB OF ARCOT,

AND THE

RAJAH OF TANJORE,

AND TO THE

DEMANDS OF BRITISH SUBJECTS

ON THE

NABOB OF ARCOT,

---

L O N D O N,

Printed for J. DEBRET, opposite BURLINGTON-HOUSE,  
in PICCADILLY. 1785.

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22-212676-1909

# CONTENTS.

	Page
<b>C</b> LAUSE, in the Act of the last Sessions referred to by the Directors	1
Clause as drawn by Ditto, for settling the Disputes between the Nabob of Arcot and the Rajah of Tanjore —	2
Ditto Clause as amended by the Board of Commissioners — —	14
Clause in the Act of Parliament, ordering the Directors to take into Consideration the Demands of British Subjects on the Nabob of Arcot — —	16
Clause as drawn by the Directors on the above Subject, as proposed to be sent to the President and Council of Madras —	40
Ditto Clause as altered by the Board of Commissioners — —	49
Representation of the Court of Directors on the said Alterations —	57
	Reply

ii      C O N T E N T S.

Reply of the Board of Commiffioners on the  
faid Representation      —      65

Letter from Lord Macartney, dated 30th Oc-  
tober 1781, with a Statement of the Re-  
venue of the Carnatic, and a Plan for liqui-  
dating the Debts due to the Company, and  
the Nabob's private Creditors      —      70

Obfervations      —      —      79

ORIGI-



# ORIGINAL PAPERS,

&c. &c.

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*Clause in the Act of Parliament referred to  
by the Directors.*

38. **A**ND for settling upon a permanent foundation the present indeterminate rights and pretensions of the Nabob of Arcot, and the Rajah of Tanjore, with respect to each other, Be it further enacted by the authority aforesaid, That the Court of Directors of the said United Company, shall take into their immediate consideration the said indeterminate rights and pretensions, and take and pursue such measures as in their judgment and discretion shall be best calculated to ascertain and settle the same, according to the principles and the terms and stipulations contained in the Treaty of 1762, between the said Nabob, and the said Rajah.

B

*Original*

*Original Clause, as drawn by the Directors, in  
their Letter to Madras.*

41. WE are directed by the late act of Parliament to take into our immediate consideration the present indeterminate rights and pretensions of the Nabob of Arcot and the Rajah of Tanjore, with respect to each other, and to ascertain and settle the same, according to the principles, and the terms and stipulations, contained in the treaty of 1762, between the Nabob and the Rajah.

42. The matters in dispute may be arranged under the following heads :

The district of Arnee,

The district of Hanamantagoody,

The Government share of Tanjore crop,  
which was sown in 1775.

43. The districts of Arnee and Hanamantagoody are at present possessed by the Nabob, these districts the Rajah has claimed, in virtue of the beforementioned treaty of 1762. Such part of the Government share of the Tanjore crop, sown in 1775, when the Nabob had possession of the country, as was collected by the Rajah 1776, after his restoration, the Nabob has claimed as his right.

44. We shall therefore proceed to examine into the several claims, and give such a decision thereon,

on, from the lights before us, as shall appear to be consistent with justice.

45. With respect to the district of Arnee, it was agreed by the 5th article of the Treaty of 1762, that Tremaul Row, the Killidar, should be put in full possession of the whole jaghire he possessed and enjoyed before the capture of Arnee (excepting however, the fort of Arnee and Doby Guddy, which the Nabob was to retain in his own possession) on his paying to the Nabob the yearly sum of 100,000 rupees, the Rajah becoming security for the payment thereof.

46. We have not been able to ascertain from the records, whether this district, which is situated in the heart of the Carnatic, was ever in the *actual* possession of the Rajah of Tanjore, except from the Treaty of 1771, whereby the Rajah gives up to the Circar the jaghire district of Arnee, and the several letters written to the Nabob, that the same ought to be *restored* to the Rajah; nor can we discover in what degree of relation the Rajah of Tanjore, and Killidar of Arnee, stood to each other, so as to have induced the former to procure an express stipulation in the Treaty of 1762, in favour of the latter, whether it was from consanguinity or cast.

47. We observe, on the 25th June, 1776, shortly after the restoration of the Rajah, the Board re-

solved, that he ought to be put into possession of Hanamantagoody, but were entirely silent as to *Arnee*; nor does Lord Pigot's letter, in consequence of that resolution, mention a word concerning the district. Yet his Lordship, in his subsequent letter to the Nabob of July 23, says, " It will be highly satisfactory to my employers " to be informed, that the Rajah has been put in " full possession of Hanamantagoody and *Arnee*;" and, in November following, the Nabob wrote to Mr. Stratton, that he might dispose of Hanamantagoody and *Arnee* in the manner he should think most conformable to the wishes of the Company; thus seeming to acquiesce in the propriety of the districts in question being given up to the Rajah.

48. Mr. Jordan's minute of the 10th of March, 1777, asserts positively, that in 1762, Hanamantagoody and *Arnee* were held by *Tanjore* and Mr. Stratton, in his letter to the Nabob of 28 of the same month, says, " That Hanamantagoody and " *Arnee* having been in *possession* of the Rajah in " 1762, and the Company deeming that their faith " stands pledged by the Treaty of 1762, I am " again to repeat to your Highness, it is the opinion " of this Government, that those places belong to " the *Tanjore country*, and shall, in consequence, be " put in the *possession of the Rajah*." The Rajah was likewise made acquainted with the determination

tion of the Board by a letter from Mr. Stratton, 4th April, 1777, in the following words: " I am  
 " to acquaint you, that we have confirmed the re-  
 " solution of the former Government with respect  
 " to Hanamantagoody and Arnee—This we have  
 " communicated to the Company, and as soon as  
 " we have received their orders, you may rest  
 " assured every attention shall be paid to them."

49. It is true, that by the Treaty of 1771, the Rajah expressly relinquishes his claims to Arnee, which circumstance the Nabob mentioned to Mr. Stratton, in his letter of 2d February, 1777, with this addition, that he (the Nabob) was forced into the Treaty of 1762; but we have already declared in our letter of 12th April, 1775, that no regard ought to be paid to that article of 1762, which respects the alienation of part of the Rajah's dominions, and which is now, to all intents and purposes, virtually rejected, by the legislature having directed that the indeterminate rights and pretensions of the Nabob of Arcot, and the Rajah of Tanjore, with respect to each other, be settled according to the principles, and the terms and stipulations contained in the Treaty of 1762.

50. But, although we confess ourselves very much in the dark, as to the nature of the authority formerly exercised by the Rajah over the districts of the Arnee, which appears at such a distance

distance from the Tanjore country, properly so called, yet we think ourselves justified in following the exact words of the 5th article of the treaty of 1762, by directing, as guarantee to that treaty, and in obedience to the act of Parliament, that the heir, or lawful successor of Tremaul Row, be put in full possession of the whole jaghire he possessed and enjoyed before the capture of Arnee, excepting however the said Fort and Doby Guddy, which the Nabob is to retain in his own possession, upon the terms and conditions therein mentioned. Our meaning with respect to the Rajah is, that he shall be restored to the same kind of possession by which he held Arnee in 1762, if he did actually hold it, or to the same kind of authority which he at that period had a right to exercise over the districts; or that he be considered as standing in the same degree of relationship, which he stood in to Tremaul Row, the Killidar thereof, at the conclusion of the treaty, of all which particulars you yourselves will be able to form the most accurate judgment.

51. With respect to Hanamantagoody, the case is extremely clear, on reference to the Nabob's instructions to Mr. Dupré, in 1762. To Mr. Dupré's reply, and to the Rajah's representations, 25 March, 1771, it appears that Hanamantagoody was actually in the Rajah's possession at the period  
when

when the treaty between him and the Nabob was guaranteed by the English.—Indeed, the Nabob has acknowledged, in a letter to Mr. Dupré, that he authorized the Rajah to undertake the expedition against the Marawar country, by which he obtained the possession of Hanamantagoody, on condition of his junction and alliance. The district of Hanamantagoody must be therefore restored to the Rajah.

52. In order to avoid future disputes between the Nabob and the Rajah, respecting the districts that are to be given up to the latter, we direct that you endeavour to fix the boundaries thereof in the most accurate manner, describing the several *delassies*, &c. and that you transmit a plan of the same to us for our inspection.

53. We shall now examine into the disputes respecting the government shares of the crop 1775. We find the Nabob obtained from the Rajah in 1771, his arrears of tribute, with interest thereon—Indemnifications for his expences, and sundry presents to his children, amounting in the whole to rupees, 45,27,000—besides the cession of certain districts, to the amount of rupees, 4,8,000 *per ann.* and we have already given it as our opinion, in our letter of 12th of April, 1775, that the charges of the first expedition against Tanjore, were more than

than reimbursed.—As the second expedition in 1773 was short, being undertaken in August, and concluded in September, we have in the letter before-mentioned, expressed our farther opinion that the revenues of the country could not have suffered great diminution by the war; and have there supposed that the plunder of the place, which by the Rajah's account amounted to upwards of a crore of pagodas, and the receipt of the revenues for more than two years, would have rendered the Nabob a very considerable gainer, after defraying all the charges incurred by his Highness in the expedition.

54. The subsequent proceedings of your government have afforded us no cause to think differently upon the subject; on the contrary, Lord Pigot has asserted in his minute of 13th May, 1776, on the authority of the Dobbeer, that the Nabob received from the Tanjore revenues, clear of all charges and expences whatever, little less than the immense sum of forty lacks of pagodas.

55. Considering that we have already signified the strongest disapprobation of those measures taken against Tanjore, which, as we were guarantee of the treaty of 1762, our servants ought to have prevented, and reflecting also on the very large amount of the money and effects stated to have  
 been



been obtained therefrom, we cannot give our consent to the Nabob's receiving the amount of the Government share of the crop of 1775, though we do not find the same would be considerable. The Dober, who had the management of the country, informed Lord Pigot, upon the Rajah's restoration, that there remained only three lacks of pagodas to be collected by the Rajah, who himself declares, in his letter to Mr. Stratton, 21st April, 1777, that the produce of the preceding year was little more than one lack of pagodas. And General Stuart, in his letter to the Board of the 2d of the same month, writes, "That it is asserted with good authority, that the far greater part of the Government share of the crop was plundered by individuals, and never came to account in the Treasury."

56. When the Resolution of the Fort of St. George Council, adjudging the Government share of the crop to belong to the Nabob, in consequence of his having sown the seed, was communicated to the Rajah, he replied in the following words: "The year the Nabob took the country from me, I sowed the grain, did he not reap the advantage?" We must confess, that to our minds the argument herein contained is conclusive. We do therefore, considering all the foregoing circumstances, adjudge the Government share of such part of the crop in question

tion as was collected by the Rajah, whatever it might be, to belong to the Rajah.

57. Your letter of the 14th October, 1779, informed us, that the Rajah had not accounted to the Nabob for any part of the peshcash of four lack of rupees *per ann.* which was stipulated to be paid upon his restoration to the government; and that the Rajah alledged, as a reason for withholding this peshcash, that he had not received from the Nabob the districts of Hanamantagoody and Arnee, which should have been given to him at the time he was restored to his country; and that whilst those districts, which, he says, amount to the value of the peshcash, are detained by the Nabob, the Rajah does not think it reasonable that he should pay any thing on that account. You farther acquaint us, in the same letter, that the Rajah had paid one lack of pagodas into our treasury, the same to wait our determination respecting the crop.

58. We therefore direct, that you take the most effectual measures to ascertain, with all possible precision, the amount, since the Rajah's Restoration, which has been received by the Nabob, from the districts, which by these our orders and instructions are to be delivered to the Rajah, and to Timaul Row's successor; and taking the whole arrears of peshcash and the deposit before mentioned, into the account, that you determine in the most impartial

usual manner, on the balance which shall be due on either side, and put the same into a speedy train of liquidation, without distressing the party from whom such balance may be owing.

59. We observe, that one great cause of disagreement between the Nabob and the Rajah has been relative to the repairs which are annually necessary to be made on the banks of the Cavery, and in the annicut or mound of earth which divides that river into two parts, and by which means the Tanjore country is fertilized.

60. Upon a former reference to us upon the subject, we did not hesitate to pronounce, in our letter of 12th April. 1785, that as guarantees of the treaty 1762, we had a right to interfere in the subject of contention that might arise between the Nabob and the Rajah, though not immediately expressed in that treaty; and we were decidedly of opinion, that the Rajah should have the liberty of repairing the banks of the cavery, so far as he has in former times been allowed to do; and even more, if new encroachments of the river should require it, provided the Nabob sustains no damages, or injury thereby, and that so far you had a right to insist on.

61. But notwithstanding this positive assertion relative to our right as guarantee, to see that the

Tanjore country was not impoverished for want of the necessary supply of water for its cultivation, we find several complaints of a similar kind upon your records 1776 and 1777, particularly on the Rajah's letter of 21st October, 1776.

62. In consequence of this letter, we again gave it as our opinion in our letter of July 4, 1777, That the Rajah should be permitted to repair the banks, and the annicut in the same manner as had been practised in times past : We not only considered this as an act of justice, but as beneficial to all parties : and interested as we are in the prosperity of the country of Tanjore, we give it as our farther opinion, that it was become an act of sound policy also ; because it would enable the Rajah to fulfil his engagements with the Nabob and the Company.

63. The sentiments contained in our before-mentioned letters of 26th April, 1765, and 4th July, 1777, we hereby repeat and confirm.— But as the Nabob has declared, that his country would sustain just as much damage by the coming of too much water into the country, as that of the Rajah's would, should too great a quantity flow into the Coleroon (though Mr. Palk is clearly of opinion, that the repairing the breach in the Coleroon cannot be any ways prejudicial to the

the southern countries) we think it necessary to direct, that these repairs, which are to be at the sole expence of the Rajah, be in future made under the inspection of one of our engineers, in whose abilities and integrity you can confide: And who is first to make a report to your board of the works they propose, and if you shall afterwards choose to employ him or them in superintending those works, he or they will of course take care that in providing for the cultivation of the Tanjore country, no injury be done to the territories of the Nabob round Trichinopoly.

64. Having thus given our sentiments on the several matters in dispute between the Nabob of Arcot and the Rajah of Tanjore, and our final decision thereon, we trust that all former animosities between those Princes will be buried in oblivion; and that the contest will be who most shall promote the internal prosperity of the countries over which they preside. It will be our part, as guarantees of the treaty of 1762, to see that the Rajah is regular in the payment of his peshcash, and that one power does not encroach upon the rights and privileges of the other.

*Commis-*

*Commissioners amended Clauses for the Fort St. George. Dispatch relative to the indeterminate Rights and Pretensions of the Nabob of Arcot and Rajah of Tanjore.*

IN our letter of the 28th January last, we stated the reasonableness of our expectation, that certain contributions towards the expences of the war should be made by the Rajah of Tanjore ; since writing that letter we have received one from the Rajah of 15th October last, which contains at length, his representations of his inability to make such farther payment : We think it here unnecessary to discuss whether these representations are or are not exaggerated, because, from the explanations we have given of our wishes for a new arrangement in future, both with the Nabob of Arcot and the Rajah of Tanjore, and the directions we have given you to carry that arrangement into execution, we think it impolitic to insist upon any demands upon the Rajah for the expences of the late war, beyond the sum of four lacks of pagodas annually ; such a demand would tend to interrupt the harmony which should prevail between the Company and the Rajah, and impede the great objects of the  
general

general system; we have already so fully explained to you.

But although it is not our opinion, that any farther claim should be made on the Rajah for his share of the extra expences of the late war, it is by no means our intention in any manner to affect the just claim, which the Nabob has on the Rajah, for the arrears due to him, on account of the Pestheah, for the regular payment of which we became guarantee, by the treaty of 1762. But, we have already expressed to you, our hopes, that the Nabob may be induced to allow these arrears, and the growing payments, when due, to be received by the Company, and carried in discharge of his debt to us. You are at the same time to use every means to convince him, that when the debt shall be discharged, it is our intention, as we are bound by the above treaty, to exert ourselves to the utmost of our power, to insure the constant and regular payment of it into his own hands.

We observe by the plan sent us, by our Governor of Fort St. George, on the 31 October, 1781, that an arrangement is there proposed for the receipt of those arrears, from the Rajah, in three years.

We

We are unable to decide how far this proposal may be consistent with the present state of the Rajah's resources, but we direct you to use all proper means to bring these arrears to account as soon as possible, consistently with a due attention to this consideration.

### C L A U S E S.

YOU will observe, that by the 38th section of the late act of parliament, it is enacted, that, for settling upon a permanent foundation the present indeterminate rights of the Nabob of Arcot, and the Rajah of Tanjore, with respect to each other, we should take into our immediate consideration the said indeterminate rights and pretensions, and take and pursue such measures as in our judgment and discretion shall be best calculated to ascertain and settle the same, according to the principles and the terms and stipulations contained in the treaty of 1762, between the said Nabob and the said Rajah.

On retrospect of the proceedings transmitted to us from your Presidency, on the subject of the disputes which have heretofore arisen between the  
Nabob



Nabob and the Rajah, we find the following points unadjusted, viz.

1st. Whether the Jaghire of Arnee shall be enjoyed by the Nabob, or delivered up either to the Rajah, or to the descendants of Tremaul Row, the late Sagheredar.

2d. Whether the fort and district of Hanaman-  
tagoody, which is admitted by both parties to be within the Marawar, ought to be possessed by the Nabob, or to be delivered up by him to the Rajah.

3d. To whom the government share of the crop of the Tanjore country of the year 1775-6, properly belongs.

Lastly. Whether the Rajah has a right, by usage and custom, or ought from the necessity of the case, to be permitted to repair such part of the Annacut, or Dam, and banks of the Cavery, as lie within the district of Trichinopoli, and to take earth and sand in the Trichinopoli territory for the repairs of the Dam and Banks within either, or both these districts.

In order to obtain a competent knowledge of the facts and circumstances relative to the several

points in dispute, and how far they are connected with [the treaty of 1762, we have with great circumspection examined into all the materials before us, on these subjects, and will proceed to state to you the result of our enquiries and deliberations.

The objects of the treaty of 1762, appear to be restricted to the arrears of tribute to be paid to the Nabob for his past claims, and to the *quantum* of the Rajah's future tribute or *pesheah*. The cancelling of a certain bond, given by the Rajah's father to the father of the Nabob. The confirmation to the Rajah of the districts of Coveladdy and Langaud, and the restoration of Tremaul Row to his Jaghire of Arnee, in condescension to the Rajah's request, on certain stipulations, viz. That the Fort of Arnee and Doby Guddy should be retained by the Nabob. That Tremaul Row should not erect any fortress, walled pagoda, or other strong hold, or any wall round his dwelling house, exceeding eight feet high, or two feet thick, and should in all things behave himself with due obedience to the government; and that he should pay yearly, in the month of July, unto the Nabob, or his successor, the sum of ten thousand rupees; the Rajah thereby becoming the surety for Tremaul Row, that he should in all things demean and behave

have himself accordingly, and pay yearly the stipulated sum.

Upon a review of this treaty, the only point now in dispute, which appears to us to be so immediately connected with it, as to bring it within the strict line of our duty, to ascertain and settle according to the terms and stipulations of the Treaty is, that respecting Arnee; for although the other points enumerated may, in some respects, have a relation to that Treaty, yet, as they are foreign to the purposes expressed in it, and could not be in the contemplation of the contracting parties at the time of making it, those disputes cannot, in our comprehensions, fall within the line of descriptions of rights and pretensions, to be now ascertained and settled by us, according to any of the terms and stipulations of it.

In respect to the jaghire of Arnee, we do not find that our records afford us any satisfactory information by what title the Rajah claims it, or what degree of relationship or connection subsisted between the Rajah and Kildar of Arnee, save only, that by the Treaty of 1762, the former became the surety for Tremaul Row's performance of his engagements specified therein, as the condition for his restoration to that jaghire on the death of Tremaul Row. We perceive that he was suc-

ceeded by his widow, and after her decease, by his grandson Seneewalarow, both of whom were admitted to the jaghire by the Nabob.

From your minutes of consultation of 31st October, 1770, and the Nabob's letter to the President of 21st March, 1771, and the two letters from Rajah Barbut Atchener Punt (whom we presume was then the Nabob's manager at Arcot) of 16 and 18 March, referred to in the Nabob's letter, and transmitted therewith to the President, we observe, that previous to the Treaty of 1762, Mr. Pigot concurred in the expediency of the Nabob's taking possession of this jaghire, on account of the troublesome and refractory behaviour of the Arnee Bramins, by their affording protection to all disturbers, who, by reason of the little distance between Arnee and Arcot, fled to the former, and were there protected and not given up, though demanded.

That though the jaghire was restored in 1762, it was done under such conditions and restrictions, as were thought best calculated to preserve the peace and good order of the place; and due obedience to Government.

That nevertheless, the Bramins (quarrelling amongst themselves) did afterwards, in express violation

violation of the Treaty, enlist and assemble many thousand seapoys and other troops, and they erected gaddys and other small forts, provided themselves with wall-pieces, small guns, and other warlike stores, and raised troubles and disturbances in the neighbourhood of the city of Arcot, and the forts of Arnee and Shaw Gaddy, and that finally they imprisoned the Hircarrahs of the Nabob, sent with his letters and instructions, in pursuance of the advice of your Board, to require certain of the Bramins to repair to the Nabob at Chepank, and though peremptorily required to repair thither, paid no regard to those or any other orders of the Circar.

By the 13th article, contained in the instructions given by the Nabob to Mr. Dupré, as the basis for negotiating the Treaty made with the Rajah in 1771, the Nabob required that the Arnee district should be delivered up to the Circar, because the Bramins had broken the conditions which they were to have observed. In the answers given by the Rajah to these propositions, he says, "I am to give up to the Circar the Taghou district of Arnee;" and, on the 7th November, 1771, the Rajah, by letter to Seneewafarow, (who appears by your consultations and country correspondence, to have been the grandson of Tremaul Row, and to have been put in possession of the jaghire at your recommendation

Commendation on the death of his grand-father) writes, acquainting him, that he had given the Arnee country, then in his (Senecwafarow's) possession, to the Nabob, to whose Aumildars Senecwafarow was to deliver up the possession of the country. And in your letter to us, of the 28th February, 1772, you certified the district of Arnee to be one of the countries acquired by this Treaty, and to be of the estimated value of two lacks of rupees annually.

In our orders, dated 12th April, 1775, we declared our determination to replace the Rajah on the throne of his ancestors, upon certain terms and conditions, to be agreed upon for the mutual benefit of himself and the Company, without infringing the rights of the Nabob: We declared that our faith stood pledged by the Treaty of 1762, to obtain payment of the Rajah's tribute to the Nabob, and that, for the insuring such payment, the fort of Tanjore should be garrisoned by our troops. We directed that you should pay no regard to the article of the Treaty of 1771, which respected the alienation of part of the Rajah's dominions: and we declared, if the Nabob had not a just title to these territories before the conclusion of the Treaty, we denied that he obtained any right thereby, except such temporary sovereignty for securing the payment of his expences, as is therein mentioned.

These

These instructions seem to have been executed in the month of April, 1776, and by your letter, of 14th May following, you certified to us, that the Rajah had been put into the possession of the whole country his father held in 1762, when the Treaty was concluded with the Nabob; but we do not find, that you came to any resolution, either antecedent or subsequent to this advice; either for questioning, or impeaching the right of the Nabob to the sovereignty of Arnee, or expressive of any doubt of his title to it. Nevertheless we find, that although the Board passed no such resolution, yet your President, in his letter to the Nabob of 30th July, and 24th August, called upon his Highness to give up the possession of Arnee to the Rajah, and the Rajah himself, in several letters to us, particularly in those of the 21st of October, 1776, and 7th June, 1777, expressed his expectation of our orders for delivering up that fort and district to him, and so recently as the 15th October, 1783, he reminds us of his former application, and states, that the country of Arnee being guaranteed to him by the Company, it is of course his right, but that it has not been given up to him, and he therefore earnestly entreats our orders for putting him into possession of it: we also observe, by your letter of 24th October, 1779, that the Rajah had not then accounted for the Nabob's pique since his restoration, but had assigned as a reason for his withholding

holding it, that the Nabob had restrained from him the district of Arnee and a certain other district (Hanamantagoody) which is made the subject of another part of our present dispatches.

We have thus stated to you the result of our enquiry into the grounds of the dispute relative to Arnee, and as the research has afforded us no evidence in support of the Rajah's claim, nor even any lights whereby we can discover in what degree of relationship, by consanguinity, or cast, or other circumstances, the Rajah now stands, or formerly stood, with the Killidar of Arnee, or the nature of his connection with or command over that district, or the authority he exercised or assumed previous to the treaty of 1771, we should think ourselves greatly reprehensible in complying with the Rajah's request, and the more so, as it is expressly stated in the treaty of 1762, that this fort and district, were then in the possession of the Nabob, as well as the person of the Jaghiredar, on account of his disobedience, and were restored to him by the Nabob, in condescension to the Rajah's request, upon such terms and stipulations, as could not, in our judgments, have been enforced by the one, or submitted to by the other, if the sovereignty of the one, or dependency of the other, had been at that time a matter of doubt.



Although these materials have not furnished us with evidence in support of the Rajah's claim, they are far from satisfactory to evince the political necessity for the Nabob's continuing to withhold the jaghire from the descendants of Tremaul Row, his hereditary right to that jaghire seems to have been fully recognized by the stipulations of the treaty of 1762, and so little doubted, that, on his death, his widow was admitted by the Nabob to hold it, on account, as may be presumed, of the non-age of his grandson and heir Seneewafarrow, who appears to have been confirmed in the jaghire, on her death, by the Nabob, as the lineal heir and successor to his grandfather.

With respect to Seneewafarrow, it does not appear by any of the proceedings in our possession, that he was concerned in the misconduct of the Bramines complained of by the Nabob in the year 1770, which rendered it necessary for his Highness to take the jaghire into his own hands, or that he was privy to, or could have prevented those disturbances.

We therefore direct, that if the heir of Tremaul Row is not at present in possession of the jaghire, and has not, by any violation of the treaty or act of disobedience, incurred a forfeiture thereof, to be immediately restored to the possession of it, ac-

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cording

ording to the terms and stipulations of the treaty of 1762. But if any powerful motive of regard to the peace and tranquility of the Carnatic, shall, in your judgment, render it expedient to suspend the execution of these orders, in that case you will, with all convenient speed, transmit to us your proceedings thereupon, with the full state of the facts, and of the reasons which have actuated your conduct.

We have before given it as our opinion, that the stipulations of the treaty of 1762, do not apply to the points remaining to be decided; but the late act of parliament having, from the nature of our connection with the two powers in the Carnatic, pointed out the expediency, and even necessity of settling the several matters in dispute between them, by a speedy and permanent arrangement, we now proceed to give you our instructions upon the several other heads of disputes before enumerated,

With respect to the fort and district of Hanamantagoody, we observe, that on the restoration of the Rajah in 1776, you informed us in your letter of 14 May, "That the Rajah had been put into possession of the whole of the country his father held in 1762, when the treaty was concluded with the Nabob;" and on the 25 June, you

you came to the resolution of putting the Rajah into possession of Hanamantagoody, on the ground, that it's appearing on reference to the Nabob's instructions to Mr. Dupré in June 1762, to his reply, and to the Rajah's representations of 25th March 1771, that Hanamantagoody, was actually in the hands of the late Rajah at the time of making the treaty of 1762. We have referred as well to those papers, as to the other proceedings on this subject, and must confess, they fall very short of demonstrating to us the truth of the fact; and we find, by the secret consultations of Fort William, of 7th August 1776, that the same doubt was entertained by our Governor General and Council.

But whether in point of fact, the late Rajah was, or was not in possession of Hanamantagoody in 1762, it is notorious, that the Nabob had always claimed the dominion of the countries, of which this fort and district are a part.

We observe, that the Nabob is now in the actual possession of this fort and district; and we are not warranted by any documents we have seen to concur with the wishes of the Rajah to dispossess him.

With regard to the government share of the crop of 1775-6, we observe by the Dobeer's memorandum recited in your consultations of 13th May

1776, that it was the established custom of the Tanjore country to gather in the harvest, and complete the collections within the month of March; but that for the causes therein particularly stated, the harvest (and of course, the collection of government share of the crop) was delayed till the month of March was over. We also observe that the Rajah was not restored to his kingdom until 11th April 1776; and from thence we infer, that if the harvest and collection had been finished at the usual time, the Nabob being the Sovereign of the country, would have received the full benefit of that year's crop.

Although the harvest and collection were delayed beyond the usual time; yet, we find, by the proceedings of your government, and particularly by Mr. Mackay's minute of 29th May 1776, and also by the Dobeer's account, that the greatest part of the grain was cut down, whilst the Nabob continued in the government of the country.

It is difficult from the contradictory allegations on the subject, to ascertain what was the precise amount of the collections made, after the Nabob ceased to have the possession of the country; but whatever it was, it appears from General Stuart's letter of 2d April 1777, that it had been asserted with good authority, that the far greater part of the govern-  
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ment share of the crop was plundered by individuals, and never came to account in the Rajah's treasury.

Under all the circumstances of this case, we must be of opinion, that the government share of the crop of 1776, belonged to the Nabob as the then reigning soverign of the kingdom of Tanjore, he being *de facto* in the full and absolute possession of the government thereof, and consequently that the assignment made by him of the government share of the crop was valid.

Nevertheless, we would by no means be understood by this opinion to suggest, that any farther demands ought to be made upon the Rajah, in respect of such part of the government share of the crop as were collected by his people.

For, on the contrary, after so great a length of time as hath elapsed, we should think it highly unjust that the Rajah should now be compelled either to pay the supposed balances, whatever they may be, or be called upon to render a specific account of the collection made by his people.

The Rajah has already in his letter to Governor Stratton, of 21st April, 1777, given his assurance that the product of the preceding year, accounted  
for

for to him, was little more than one lack of pagodas; and as you have acquainted us by your letter, of the 14th October, 1779, that the Rajah has actually paid into the treasury, one lack of pagodas by way of deposit, on account of the Nabob's claim to the crop till our sentiments should be known; we direct you to surcease any farther demands from the Rajah on that account.

We observe by the proceedings, and particularly by the Nabob's letter to Lord Pigot, of the 6th July, 1776, that the Nabob previous to the restoration of the Rajah, actually made assignments, or granted Tuncaur of the whole of his share of the crop to his creditors and troops, and that your government (entertaining the same opinion as we do of the question of right to that share) by letter to the Rajah of the 20th August, 1776, “ recommended to him to restore to Mr. Benfield (one of the principal Tunca holders of the Nabob) the grain of the last year, which was in possession of his people, and said to be forcibly taken from them: And farther, to give Mr. Benfield all reasonable assistance in recovering such debts as should appear to have been justly due to him from the inhabitants, and acquainted the Rajah, that it had been judged by a majority of the council, that it was the Company's intention to let the Nabob  
“ have

“ have the produce of the crop of 1776. But  
 “ that you had no intention that the Rajah  
 “ should be accountable for more than the govern-  
 “ ment share, whatever that might be, and that  
 “ you did not mean to do more than to recom-  
 “ mend to him to see justice done, leaving the  
 “ manner and time to himself.” Subsequent re-  
 presentations appear to have been made to the  
 Rajah, by your government, on the same subject in  
 favour of the Nabob’s mortgagees.

In answer to these applications, the Rajah in his  
 letter to Mr. Stratton, of the 12th January, 1777,  
 acquainted you, “ That he had given orders re-  
 “ specting the grain which Mr. Benfield had  
 “ heaped up in his country, and with regard to  
 “ the money due to him by the farmers, that he  
 “ had desired Mr. Benfield to bring accounts of  
 “ it, that he might limit a time for the payment  
 “ of it, proportionally to their ability, and that  
 “ the necessary orders for stopping this money  
 “ out of the inhabitants share of the crop had  
 “ been sent to the Ryots and Aumildars; that  
 “ Mr. Benfield’s gemastah was then present there  
 “ and oversaw his affairs, and that in every thing  
 “ that was just, he (the Rajah) willingly obeyed  
 “ our Governor and Council.”

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Our opinion being that the Rajah ought to be answerable for no more than the amount of what he admits was collected by his people, for the government share of the crops, and the proceedings before us not sufficiently explaining whether in the sum, which the Rajah in this beforementioned letter, of 21 April 1777 admits to have collected, are included those parts of the government share of the crop, which were taken by his people from Mr. Benfield, or from any other of the assignees or tuncau holders, and uninformed, as we also are, what compensation the Rajah has or has not made to Mr. Benfield; or any other of the parties from whom the grain was taken by the Rajah's people, or whether by means of the Rajah's refusal so to do, or from any other circumstances any of the persons dispossessed of their grain, may have had recourse to the Nabob for satisfaction: We are for these reasons incompetent to form a proper judgment what dispositions ought in justice to be made of the one lack of Págodas deposited by the Rajah; but as our sentiments and intentions are so fully expressed upon the whole subject, we presume you, who are upon the spot, can have no doubt or difficulty in making such an application of the deposit, as will be consistent with those principles of justice whereon our sentiments are founded: but should any such difficulty suggest itself, you will suspend any application



application of the deposit, untill you have fully explained the same to us, and have received our further orders.

With respect to the repairs of the unnicut and banks of the cavery, we have upon various occasions fully expressed to you our sentiments, and in particular in our general letter of 4th of July, 1777, we referred you to the investigation and correspondence on that subject of the year 1764, and to the report made by Mr. James Bouchier, in his personal survey of the waters, and to several letters of the year 1765 and 1767; we also by our said general letters acquainted you, that it appears to us perfectly reasonable, that the Rajah should be permitted to repair those banks and the annacut in the same manner as had been practised in times past, and we directed you to establish such regulations, by references to former usage for keeping the said banks in repair as would be effectual, and remove all cause of complaint in future.

Notwithstanding such our instructions, the Rajah in his letter to us, of 15th of October, 1783, complains of the destruction of the Annacut; and as the cultivation of the Tanjore country appears by all the surveyors and reports of our engineers employed on that service, to depend altogether on

a supply of water by the cavery, which can only be secured by keeping the annacut and banks in repair, we think it necessary to repeat to you our orders of the 4th of July, 1777, on the subject of those repairs.

And farther, as it appears by the survey and report of Mr. Pringle, that those repairs are attended with a much heavier expence when done with materials taken from the Tanjore district, than with those of Trichinopoli, and that the last mentioned materials are far preferable to the others; it is our order, that if any occurrences should make it necessary or expedient, you apply to the Nabob in our name, to desire that his Highness will permit proper spots of ground to be set out and bounded by proper marks on the Trichinopoli side, where the Rajah and his people may at all times take sand and earth sufficient for these repairs, and that his Highness will grant his leave of such spots of land, for a certain term of years to the Company, at a reasonable annual rent, to the intent, that through you, the cultivation of the Tanjore country may be secured without infringing, or impairing the rights of the Nabob.

If any attempts have been or shall hereafter be made, to divert the water from the Cavery into the  
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Coletoon; by contracting the current of the Upper or Lower Cavery, by planting long grafts, as mentioned in Mr. Pringle's Report, or by any other means, we have no doubts, his Highness, on a proper representation to him in our name, will prevent his people from taking any measures detrimental to the Tanjore country, in the prosperity of which, his Highness, as well as the Company, is materially interested.

Should you succeed in reconciling the Nabob to this measure, we think it but just that the proposed lease shall remain no longer in force, than whilst the Rajah shall be punctual in the payment of the annual pishcash to the Nabob, as well as the rents to be reserved for the spots of ground. And, in order effectually to remove all future occasion of jealousy and complaint between the parties, that the Rajah on the one hand may be satisfied, that all necessary works for the cultivation of his country will be made and kept in repair, and that the Nabob on the other hand may be satisfied, that no encroachments on his rights can be made, nor any works detrimental to the fertility of his country erected; we think it proper that it should be recommended to the parties as a part of the adjustment of this very important point, that skillful engineers appointed by the

Company be employed at the Rajah's expence, to conduct all the necessary works with the strictest attention to the respective rights and interests of both parties; this will remove every probability of injury or dispute; but should either party unexpectedly conceive themselves to be injured, immediate redress might be obtained by application to the Government of Madras, under whose appointments the engineer will act without any discussion between the parties, which might disturb that harmony which it is so much the wish of the Company to establish and preserve, as essential to the prosperity and peace of the Carnatic.

Having now in obedience to the directions of the act of parliament, upon the fullest consideration of the intermediate rights and pretensions of the Nabob and the Rajah, pointed out such measures and agreements as in our judgment and discretion will be best calculated to ascertain and settle the same. We hope, that upon a candid consideration of the whole system, although each of the parties may feel disappointed in our decision on particular points, they will be convinced that we have been guided in our investigation by principles of strict justice and impartiality, and that the most anxious attention has been paid to the substantial interests of both parties, and such  
a general

a general and comprehensive plan of arrangements proposed, as will most effectually prevent future dissatisfaction.

Approved by the Board,

HENRY DUNDAS,  
WALSINGHAM,  
W. W. GRENVILLE,  
MULGRAVE.

Whitehall, October  
27th, 1784.

*The Right Honourable the Commissioners for the Affairs  
of India.*

*The Representation of the Court of Di-  
rectors of the East India Company.*

*My Lords and Gentlemen,*

THE court having duly attended to your reasonings and decisions on the subjects of Arnee and Hanamantagoody, beg leave to observe, with due deference to your judgement, that the directions we have given in these paragraphs, which did not obtain your approbation, still appear to us to have been consistent with the justice, and agreeable to the late act of parliament, which pointed out to us, as we apprehend, the Treaty of 1762 as our guide.

Signed by order of the said Court.

T. M. SECRETARY.

East India House,  
the 3d November, 1784.

XXXVII. And whereas very large sums of money are claimed to be due to British subjects by the Nabob of Arcot, in the recovery whereof,  
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it is expedient, that such assistance should be given them as is expedient with the rights of the said United Company, the security of the creditors, and the honour and dignity of the said Nabob; Be it enacted, That the Court of the said Company shall, as soon as may be, take into consideration the origin and justice of the said demands, as far as the materials they are in possession of will enable them to do, and that they shall give such orders to their presidencies and servants abroad, for completing the investigation thereof, as the nature of the case shall require, and establishing in concert with the said Nabob, such fund for the discharge of these debts which shall be justly due according to their respective claims and priority, as shall be consistent with the rights of the said United Company, the security of the creditors, and the honour and dignity of the said Nabob.

*Clause, as originally drawn by the Directors, relative to the Mode of Liquidation of public Debts, and Debts to European Creditors.*

65. Pursuant to the directions in the late act of parliament, we have taken into our consideration the origin and justice of the demands of British subjects upon the Nabob of Arcot, so far as the materials in our possession have enabled us to do.

66. These demands are distinguished under the following heads, viz.

The old debt,  
The new debt, and  
The debt to Messrs. Taylor, Majendie, and  
Call.

67. The Nabob himself, in his letter to Governor Palk, of the 12th December, 1766, has given the best account of the origin of the old debt that is to be met with upon our records, a copy whereof is inclosed, in which his right, after enumerating the causes which, from time to time, obliged him to procure pecuniary aids, declares, "that the sums lent him were truly and justly lent him," The account of this debt in January, 1767, appears to be about 22 lacks of pagodas, at which time the interest thereon was reduced to 10 per cent.

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in consequence of our orders of the 17th of May, 1766. Not more than a fourth part of this debt, we understand remains to be discharged, the Company having frequently recommended the case of these old creditors to the Nabob's favourable attention.

68. It was not until the year 1766 that the Court of Directors were informed, that the Nabob had contracted a new debt, exclusive of the cavalry loan, to a much greater amount than the former. It is stated in 1777, at which time it was consolidated at thirty-five lacks of pagodas, bearing an interest of 12 per cent.

69. Although we have repeatedly written to the Nabob, and to our servants, respecting the debt, yet we have never been able to trace the origin thereof, or to obtain any satisfactory information upon the subject.

70. It is true, the Nabob has assured us in his letter of the 12th of August, 1783, " That the  
 " claims of his distressed creditors are the claims of  
 " justice, and whose demands he is bound by ho-  
 " nour, and every moral obligation, to discharge ;  
 " that it is not, therefore, without great concern,  
 " he has heard insinuations tending to question the  
 " legality of their right to the payment of those  
 " just

“ just debts, which proceeded from advances made  
 “ openly and honourably for the support of his  
 “ own and the public affairs.

71. But notwithstanding, the Nabob has thus admitted the fairness of these debts, yet, from the answer in his paper of requests, it may be inferred, that the Governor General and Council entertained a different opinion concerning them, when they thought it reasonable to require, that there should be an abatement of £.25 per cent. from such of the debts as may have been transferred, and that the whole should be discharged without interest. Besides, suspicions respecting the nature of these latter debts, not very favourable to those concerned in them, have been dropped from high authority upon the spot.

72. We do not mean to question the Nabob's right to issue his bond to whom he pleases. But when those pecuniary transactions have relation to our own servants, who are bound to the Company for the performance of various conditions under certain penalties; in all such cases, it is our indispensable duty to call upon the Nabob for every information upon the subject, and we make no doubt his Highness will see the propriety thereof, and afford us complete satisfaction herein. We are in an especial manner impelled to procure such satisfaction

faction, when we consider, that, for the discharge of these bonds, the revenues of certain districts have been assigned to our servants, from a country, the defence of which, rests entirely with the Company, who, are therefore particularly interested in every thing that concerns its resources.

73. For these reasons, we should have thought it our duty to enquire very minutely into those debts, even if the Act of Parliament had been silent upon the subject, before we concurred in any measures for their payment. But with positive injunctions of the act before us, to examine into their nature and origin, we are indispensably bound to direct such an enquiry to be instituted; and we therefore confidently hope and trust, that you will obtain from the Nabob and the creditors, the most satisfactory account thereof, before you lend the authority of the company to any plan for their liquidation.

74. With respect to the 3d article we find that in April, 1777, the Nabob contracted a debt with Messrs. Taylor, Majendie and Call, of four lacks of pagodas, said to be advanced him, to pay the arrears due to his troops; for the repayment of which, the Madras government engaged to be the security: But the Court of Directors disavowed the transaction. The accounts of the Nabob's

officers will shew the several advances which were actually made in consequence of this loan, and whether the same were appropriated to the purposes intended.

75. It appears to us essentially necessary to call for these explanations, as the Nabob has asserted in his letter of the 22d of March, 1779, that the two years were nearly expired. Messrs. Taylor, &c. had not entirely discharged the arrears of those troops.

76. In the instructions given by the Nabob's creditors to Mr. Richard Joseph Sullivan, the 21st of February, 1781, on his proceeding to Bengal, we find the following statement :

	Pagodas.
The principal of the new consolidated debt is	35,00,000
The arrears of interest at that time	10,32,500
	45,32,500

The annual interest of this sum is stated at pagodas 5,43,900.

77. The letter from Madras of the 13th March, 1779, says, that besides the consolidated debt of 35 lacks, it is probable the Nabob may owe to individuals

individuals about 10 or 12 lacks more, including the money due to Messrs. Taylor, Majendie and Call, which additional sum takes in the whole of the Nabob's debt.

78. The following then is the most accurate statement of the Nabob's debts to his European creditors, taking the compound interest into the calculation. That we are able from the materials before us to procure

Pagodas	45,32,500	as above.
	16,31,700	interest thereon to February
		1784.
	12,00,000	as above.
	<hr/>	
Pagodas	73,64,200	
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79. We are aware that the amount put down here, does not exactly agree with the Nabob's own statement of what he owes to his European creditors, as mentioned in his paper of requests to the Bengal Government, which produced the treaty of April 1781. "Besides," says he, "the expences of the Company, the pay of my troops, the native bankers, my creditors, the Hindoo and Musselmen securities, I am indebted about seventy lacks of pagodas to European

“ ropean creditors, both old and new, and people  
 “ being under the protection of the Company.”

80. In this state of uncertainty, as to the origin of the demands of the old and new creditors, particularly the latter, (which precludes us from judging of the justice thereof) and their actual amount, the knowledge of which, we conceive, can only be obtained upon the spot, we hereby direct our President and Council of Fort St. George, immediately upon the receipt hereof, to enter into a full examination as to the points mentioned in the act, viz. The origin and justice of these demands; also the exact amount thereof, whether the sums were really and *bona fide* advanced, and upon what particular occasion, also the names of each individual creditor who shall prove his debt to the satisfaction of the said President and Council.

81. Having compleated this enquiry, in which as beforementioned, the Nabob must be requested in our name to furnish every possible information, the whole of the proceedings must be transmitted to the Governour General and Council, who are hereby directed to take the same into their consideration to determine thereupon, and to establish in concert with the Nabob, through the medium of the President and Council of Fort Saint

Saint George. " Such a fund for the discharge of  
 " those debts which shall appear to be justly due,  
 " according to their respective claims of priority,  
 " as shall be consistent with rights of the Com-  
 " pany; the security of the creditors, and the  
 " honour and dignity of the Nabob."

82. We think it necessary to acquaint you, that as many of the creditors, now resident in England, as shall prove to our satisfaction the origin and nature of their several claims on the Nabob, agreeably to the intention of the legislature, their debts shall be considered as just and legal; and, so soon as the same shall have been substantiated, a particular account thereof shall be transmitted to you, in order that they may be included in the future plan to be formed for the liquidation of the whole.

83. From the great embarrassment, both to the Nabob's and to the Company's affairs, which the enormous amount of these private claims have occasioned, we are happy to find the Nabob willing to engage, not to incur any new debt with individuals; and we think little difficulty will be found in persuading his highness to enter into a positive engagement for that purpose. And, though the legislature has thus humanely interfeared in behalf of such individual, as might otherwise have been driven to great distress; yet, we hereby positively prohibit any of  
 our

our servants, or other British subjects under the protection of the Company, from making any farther loans of money to the Nabob, or any of his family, upon any account or pretence whatsoever, declaring, that we will not hereafter interpose our authority to procure satisfaction for engagements so entered into, contrary to these express directions, and the interest of the Company.

84. Since writing the above, the original register of the Mayor's Court at Madras, dated the 16th October 1780, has been laid before us, specifying to whom, and at what time, the payments were made on account of the cavalry loan, amounting to pagodas, 4, 23, 436, 13, 26, also copy of a letter from Messrs. Call and Taylor, dated 25th March 1779, to the President and Council, we send you a copy of these papers for your information, and to guide your judgment in the decision which you are to give respecting the justice of the claims of Messrs. Call, Majendie, and Taylor.

*Ditto*



*Ditto Clause as altered by the Board of Commissioners.*

WE next proceed to give you our sentiments respecting the private debts of the Nabob; and we cannot but acknowledge, that the origin and justice both of the loan of 1767, and the loan of 1777, commonly called the cavalry loan, appear to us clear and indisputable, agreeably to the true sense and spirit of the late Act of Parliament.

In speaking of the loan of 1767, we are to be understood as speaking of the debt as constituted by the original bonds of that year, bearing interest at *per cent.* and therefore, if any of the Nabob's creditors, under a pretence, that their debts made part of the consolidated debt of 1767, although secured by bonds of a subsequent date, carrying an interest exceeding ten *per cent.* shall claim the benefit of the following orders, we direct, that you pay no regard to such claims without our farther especial instructions for that purpose.

With respect to the consolidated debt of 1777, it certainly stands upon a less favourable footing; so early as the 27th March 1769, it was ordered by the President and Council of Fort St. George, that for the preventing of all persons living under

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the Company's protection, from having any dealings with any of the country powers or their ministers, without the knowledge or consent of the board, an advertisement should be published, by fixing it up at the Sea Gate, and sending round a copy to the Company's servants and inhabitants, and to the different subordinates, and our garrisons, and giving it out in general orders, stating therein, that the President and Council did consider the irreverfable order of the Court of Directors, of the year 1714, (whereby their people were exprefsly prohibited from having any dealings with the country governments in money matters,) to be in full force and vigour; and thereby exprefsly forbidding all servants of the Company, and other Europeans, under their jurisdiction, to make loans, or have any money tranfactions with any of the princes or states in India, without especial licence and permission of the President and Council for the time being, except only in the particular cafes there mentioned; and declaring, that any wilful deviation therefrom should be deemed a breach of orders, and treated as fuch. And on the 4th of March 1778, it was refolved by our President and Council of Fort St. George, that the consolidated debt of 1777, was not in any respect whatever conducted under the auspices or protection of that government; and, on the circumstances of the consolidation of the said debt  
being

being made known to us, we did on the 23d December 1778, write to you in the following terms: “ Your account of the Nabob’s private  
 “ debts are very alarming ; but from whatever  
 “ cause or causes those debts have been contract-  
 “ ed, or increased, we hereby repeat our orders,  
 “ that the sanction of the Company, be on no  
 “ account given to any kind of security for the  
 “ payment, or liquidation of any part thereof,  
 “ except by the express authority of the Court of  
 “ Directors, on any account or pretence what-  
 “ ever.”

The loan of 1777, therefore, has no sanction or authority from us ; and, in considering the situation and circumstances of this loan ; we cannot omit to observe, that the creditors could not be ignorant how greatly the affairs of the Nabob were at that time deranged ; and that his debt to the Company was then very considerable, the payment of which, the parties took the most effectual way to postpone, by procuring an assignment of such specific revenues for the discharge of their own debts, as alone could have enabled the Nabob to discharge those of the Company.

Under all these circumstances, we should be warranted to refuse our aid or protection in the recovery of this loan ; but when we consider the

inexpediency of keeping the subject of the Nabob's debts longer a-float than is absolutely necessary; when we consider how much the final conclusion of this business will tend to promote tranquility, credit, and circulation of property in the Carnatic; and, when we consider that the debtor concurs with the creditor in establishing the justice of these debts, consolidated in 1777, into gross sums, for which bonds were given, liable to be transferred to persons different from the original creditors, and having no share or knowledge of the transactions in which the debts originated; and of course, how little ground there is to expect any substantial good to result from an unlimited investigation into them. We have resolved so far to recognize the justice of those debts, as to extend to them that protection which, upon more forcible grounds, we have seen cause to allow to the other two classes of debts. But although we so far adopt the general presumption in their favour, as to admit them to a participation in the manner hereafter directed, we do not mean to debar you from receiving any complaint against those debts of 1777, at the instance either of the Nabob himself, or of other creditors injured by their being so admitted, or by other persons having a proper interest, or stating reasonable grounds of objection; and if any complaints are offered, we order that the grounds of all such be  
 atten-

attentively examined by you, and be transmitted to us, together with the evidence adduced in support of them, for our final decision; and as we have before directed, that the sum of 12 lacks of pagodas to be received annually from the Nabob, should be paid into our treasury, it is our order, that the same be distributed to the following arrangement:

That the debt be made up in the following manner, viz.

The debt consolidated 1767, to be made up to the end of the year 1784, with the current interest at 10 *per cent.*

The cavalry loan to be made up to the same period, with the current interest at 12 *per cent.*

The debt consolidated 1777, to be made up to the same period, with the current interest at 12 *per cent.* to Nov. 1781; and from thence with the current interest at six *per cent.*

The 12 lacks annually to be received, are then to be applied;

1<sup>st</sup>. To the growing interest on the cavalry loan at 12 *per cent.*

2<sup>dly</sup>. To the growing interest on the debt 1777 at six *per cent.*

The

The remainder to be equally divided; one half to be applied to the extinction of the Company's debt; the other half to be applied to the payment of growing interest at 10 *per cent.* and towards the discharge of the principal of the debt of 1767.

This arrangement to continue until the principal of the debt 1767, is discharged.

The application of the 12 lacks, is then to be,

*1<sup>st</sup>.* To the interest of 1777, as above the remainder, to be equally divided; one half towards the discharge of the current interest, and principal of the cavalry loan; and the other half, towards the discharge of the Company's debt.

When the cavalry loan shall be thus discharged, there shall then be paid towards the discharge of the Company's debt, seven lacks.

To the growing interest and capital of the 1777 loan, five lacks.

When the Company's debt shall be discharged, then the whole is to be applied in discharge of the debt of 1777.

If

If the Nabob shall be prevailed upon to apply the arrears, and growing payments of the Tanjore Peishcash, in farther discharge of his debts over and above the 12 lacks of pagodas, we direct, that the whole of that payment when made, shall be applied towards the deduction of the Company's debt.

We have laid down the general rules of distributions, as appearing to us founded in justice, and the relative circumstances of the different debts; and therefore, we give our authority and protection to them, only on the supposition, that those who ask our protection, acquiesce in the condition upon which it is given; and therefore, we expressly order, that if any creditor of the Nabob, a servant of the Company, or being under our protection, shall refuse to express his acquiescence in these arrangements, he shall not only be excluded from receiving any share of the fund under your distribution, but shall be prohibited from taking any separate measures to recover his debt from the Nabob, it being one great inducement to our adopting this arrangement, that the Nabob shall be relieved from all further disquietude, by the importunities of his individual creditors, and be left at liberty to pursue those measures for the prosperity of his country, which the embarrassments of his situation have hitherto deprived  
him

him of the means of exerting. And, we farther direct, that if any creditor shall be found refractory, or disposed to disturb the arrangement, we have suggested, he shall be dismissed the service, and sent home to England.

The directions we have given, only apply to the three classes of debts which have come under our observation. It has been furnished, that the Nabob has of late contracted farther debts, if any of these are due to British subjects, we forbid any countenance or protection whatever to be given to them, untill the debt is fully investigated, the nature of it reported home, and our especial instructions upon it received.

(Signed)

HENRY DUNDAS,  
MULGRAVE,  
WALSINGHAM,  
W. W. GRENVILLE.

Repre-



*Representation of the Court of Directors.*

6thly, Concerning the private Debts of the Nabob of Arcot, and the Application of the Fund of 12 Lacks of Pagodas per Annum.

Under this head you are pleased in lieu of our paragraphs, to substantiate at once the justice of all those demands, which the act requires us to investigate. Subject only to a right, reserved to the Nabob, or any other party concerned, to question the justice of any debt falling within the last of the three classes. We submit that at least the opportunity of questioning, within a limited time, the justice of any of the debts ought to have been fully preserved : and supposing the first and second classes to stand free from imputation (as we incline to think they do) no injury can result to individuals from such discussion : And we farther submit to your consideration, how far the express direction of the act to examine the nature and origin of the debts has been, by the amended paragraphs complied with, and whether at least the rate of interest, according to which the debts arising from Soucar assignment of the land revenues to the servants of the Company, acting in the capacity of Native Bankers, have been accumulated, ought not to be enquired into ; as well as the reasonableness of the deduction of 25 per cent. which the Bengal Government directed to be made from a  
 I great

great part of the debt on certain conditions. But to your approbations of the fund, our duty requires that we should state our strongest dissent: our right to be paid the arrears of those expences, by which (almost the country and all the property connected with it were preserved from falling a prey to a foreign conqueror) surely stands paramount to all claims for former debts upon the revenues of a country so preserved, even if the legislature had not expressly limited the assistance to be given to the private creditors, to be such as should be consistent with our own rights: the Nabob had long before passing the act, by treaty with our Bengal Government agreed to pay us seven lacks of pagodas (part of the 12 lacks) in liquidation of those arrears of which seven lacks, the arrangement you have been pleased to lay down, would take away from us more than the half, and give it to private creditors, of whose demands there are only about a sixth part, which do not stand in a predicament that you declare would not intitle them to any aid or protection from us in the recovery thereof, were it not upon grounds of expediency, as will more particularly appear by the annexed estimate; until our debt shall be discharged, we can by no means consent to give up any part of the seven lacks to the private creditors, and we humbly apprehend that, in this declaration, we do not exceed the limits of the authority and rights vested in us.

CARNATIC

CARNATIC REVENUES *and* DEBTS.

Lacks.

30. The Nabob's nett revenues stand estimated at \_\_\_\_\_ £.1.200.000

As the utmost amount to be realized in times of peace, including all the districts under his government, which lay to the southward of Trichinopoly,

26. In 1776, the nett revenues came to 1.040.000

22. In 1777, the nett revenues came to no more than \_\_\_\_\_ 880.000

After the ravages and depopulation which the Carnatic has undergone from the number of the husbandmen destroyed or carried off, there is little room to expect that its nett revenues can amount to the sum realized in 1777; but let it be supposed that the revenues to be realized on the return of peace shall be nearly equal to that of 1777, \_\_\_\_\_

800.000

There will then be to deduct from that sum the cost of the ten battalions, and of the usual garrison stores, amounting, together, to about £. 200.000; also the twelve lacks of pagodas *per annum* towards the discharge of the Nabob's debts, public and private, or 480.000 - 680.000, consequently the sum of £. 120.000 will be all that can remain for the Nabob's civil government, and his own private use, a sum by no means sufficient for these purposes.

On the other hand, if the revenues shall be short of the abovementioned amount, and which will probably be the case, the proposed sum of twelve lacks cannot be realized to near that amount the year for the discharge of the public and private debts, and leave sufficient for the current demands.

The new debts consolidated, 27th Nov. 1777 (exclusive of the remaining part of the old debt of 1767, and the Cavalry Loan) amounted, according to the instructions from the creditors to Mr. Sullivan, in Feb. 1781, to	—	45.32.500
Nov. 1780, to Nov. 1781, 12 per cent. one year,	— — — —	5.43.900
		<hr/>
		50.76.400
Nov. 1781, to Dec. 1782, six per cent. 13 months,	—	3.29.966
		<hr/>
		54.06.366
1783, six per cent. one year,		3.24.382
		<hr/>
		57.30.748
1784, ditto	— —	3.43.844
		<hr/>

	Pagodas	60.74.592
The Nabob, as appears by a letter from the Select Committee at Fort St. George to the Court of Directors, 13 March 1789, owed about 12 lacks more than the amount of these debts, and in which of course is included the remainder of 1767, and the Cavalry Loan. November 1781 the Cavalry Loan is stated by the Nabob to be		
	Pagodas	5.03.370
12 per cent. to Nov. 1782,		60.404
		<hr/>
		5.63.774
12 per cent. to Nov. 1783,		67.653
		<hr/>
		6.31.427
12 per cent. to Nov. 1784,		75.771
		<hr/>
		7.07.198

The debt of 1767 was originally 22 lacks, the principal of this debt is stated to be paid off within a quarter part, or about 5 lacks, which remain due at the end of 1777. The interest unpaid in this debt cannot be traced, but it clearly appears to be largely in arrears, therefore

supposing

supposing the principal and interest down to the end of 1784 not to exceed 12 lacks, the whole of the debts to that period, including the three several descriptions, will be —

New,	_____	60.74.592
Cavalry,	_____	7.07.198
Old,	— — —	12.00.000
	Pagodas	_____

79.81.790

71.81.790

Since the amount of the debts admitted by the Board of Controul cannot be less than 79 lacks, probably more, when they shall all be made up to the 31<sup>st</sup> of December, 1784.

Now, admitting the old debts of 1767, with compound interest after the rate of 10 *per cent.* to the end of December, 1784, to be only. —

The annual interest of 10 *per cent.* will amount to \_\_\_\_\_

Pagodas 12.00.000

1.20.000

Interest to be paid annually on the Cavalry Loan, at 12 *per cent.* principal pagodas, 7.07.198, comes to \_\_\_\_\_

84.000

The remainder, being the new consolidated debts, and amounting to pagodas 60 lacks, the interest at six *per cent.* \_\_\_\_\_

3.60.000

Interest to be paid annually in the first instance, — — —

4.44.000

The annual amount to be required of the Nabob for discharging the debts due to his private creditors, and to the Company, is stated at 12 lacks of pagodas, or \_\_\_\_\_

£. 480.000

The annual interest of the new consolidated Loan, and that of the Cavalry, which is to be paid prior to any demand of the Company, as now settled by the Board of Controul, the interest of these private debts amounts to \_\_\_\_\_

180.000

The debts provided for, the remainder amounting to \_\_\_\_\_ is to be disposed as follows.

£. 300.000

The

The one-half, or £.150,000, is to be appropriated to the reduction of the Company's debt, due from the Nabob, and the other half to the payment of the interest and principal of the old consolidated debt of 1767. That debt extinguished, the same process is to take place for the extinction of the cavalry debt, these two debts making together £.760,000, with their growing interest to the amount of £.80,000 a year, will take to the end of 1789, or 1790, to discharge them, admitting the Nabob shall make his payment of the first 12 lacs by the end of 1783, (which can never be expected) and continue the same annual advance, without reduction, down to the end of 1789, or 1790; because any reduction of the 12 lacs must tend to protract the discharge of these two debts beyond the above period. But admitting that 12 lacs be regularly paid; in case the old debt of 1767, with its accumulated interest, shall exceed the amount herein stated, and which is not at present ascertained, the extinction of these two debts would be equally prolonged beyond the end of 1789, or 1790, therefore the Company, upon this plan, can have no prospect of being reimbursed in the ensuing six or seven years more than £.900,000, or 1,000,000, of the money due from the Nabob, for the arrears of his current payments, and the expences incurred for the defence of the Carnatic, which, according  
to

to the statements already at home, and the charges to be brought to his account on the winding up the war, can be nothing short of three millions sterling, without any interest charged upon it; whilst the debt due to the private creditors, made up to the end of 1784, with compound interest, and amounting to the sum of £.3,500,000, will, in six or seven years, have received an interest and principal upwards of 2,000,000, or of two-thirds of their amount, with compound interest, down to the end of 1784. In short, under this regulation the Company will be to receive £.150,000, and the private creditors £.330,000 a year. And thus the public debt, carrying no interest, will be protracted to afford a preference to private debts, consisting of different descriptions, on the validity of a part of which claims the Board have declared, they were contracted contrary to the public orders of the Company, and therefore could have no sanction or authority from the Court of Directors.

It is also to be observed, that if the Nabob shall, for three or four years to come, find himself unable to afford, from the current expences of government, more than four or five out of twelve lacks towards the annual reduction of his debts and arrears, the Company and the creditors for the remainder of the old consolidated debt of 1767, the best

b

est established of the private debts, would receive nothing, as the growing interest on the new consolidated debt and the cavalry loan, will take 4½ lacks for its annual discharge; and nothing can more plainly shew the deficiencies in collections, than by observing, that the revenues, even under the management of Lord Macartney, have not been able to diminish the current arrears; but, on the contrary, they were, by the last advices, encreased as follows :

Arrears due in civil and military de-			
partments on the 31st of October,			
1783	—	—	£. 929,000
On the 28th of January, 1784	—		1,273,000

exclusive of what may be due to the Southern troops (the accounts of which had not been received) and the expences of the Bengal detachment serving on that coast.

*Rejoinder*



*Rejoinder of the Board of Commissioners.*

Sixth Article.—Arrangement of the Nabob's Debts to Individuals, and to the Company.

We think it proper, considering the particular nature of the subject, to state to you the following remarks on that part of your representation which relates to the plan for the discharge of the Nabob's debts.

1st. You compute the revenues which the Carnatic may be expected to produce only at 20 lacks of pagodas, if we concurred with you in this opinion, we should certainly feel our hopes of advantage to all parties from this arrangement considerably diminished; but we trust that we are not too sanguine on this head, where we place our greatest reliance on the estimate transmitted to you by your President of Fort St. George, having then the best means of information upon the fact, and stating it with a particular view to the subject matter of these paragraphs, some allowance, we are sensible, must be made for the difference of collection in the Nabob's hands, but, we trust, not such as to reduce the receipt nearly to what you suppose.

K

adly.

2dly. For making up the amount of the private debts, you take in compound interest at the different rates specified in our paragraph; this it was not our intention to allow; and lest any misconception should arise on the spot, we have added an express direction, that the debts be made up with simple interest only, from the time of their respective consolidation clause.

3dly. We have also the strongest grounds to believe, that the debts will be, in other respects, considerably less than they are now imputed by you, and consequently the Company's annual proportion of the 12 lacks will be larger than it appears in your estimate. But even in your own statement of it, if we add to the £.150,000, or 375,000 pagodas (which you take as the annual proportion to be received by the Company for five years to the end of 1789) the annual amount of the Tanjour peshcush for the same period, and the arrears on the peshcush (proposed by Lord Macartney to be received in three years) the whole will make a sum not falling very short of 35,00,000 pagodas, the amount of 7,00,000 pagodas per ann. for the same period. And if we carry our calculations farther, it will appear that both by the plan proposed by the Nabob, and adopted in your paragraphs, and by that which we transmitted to you, the debt from the Nabob,  
if

if taken at 3,000,000, will be discharged nearly at the same period, viz. in the course of the 11th year. We cannot therefore be of opinion, that there is the smallest ground for objecting to this arrangement as injurious to the interest of the Company; even if the measures were to be considered upon the mere ground of expediency, and with a view only to the wisdom of re-establishing credit and circulation in a commercial settlement, without any consideration of those motives of attention to the feelings and honour of the Nabob, of humanity to individuals, and of justice to persons in your service, and living under your protection, which have actuated the legislature, and which afford not only justifiable, but commendable grounds for your conduct.

- Impressed with this conviction, we have not made any alteration in the general outlines of the arrangement which we had before transmitted to you : But as the amount of the Nabob's revenue is matter of uncertain conjecture, and as it does not appear just to us that any deficiency should fall wholly on any one class of these debts, we have added a direction to your Governor of Fort St. George, that if, notwithstanding the provisions contained in our former paragraphs, any deficiency should arise, the payments of what shall be secured shall be made in the same proportion,

portion, which would have obtained in the division of the whole 12 lacks had they been paid.

As we have now transmitted to you our final directions on the whole subject mater of this dispatch, and as, on many of the instructions which are therein given to your servants in India, relate to points of the highest importance, and in which any unnecessary delay might be in the greatest degree prejudicial to your service, we desire that you will forthwith transmit them to your different settlements.

We have the honour to be, &c.

Whitehall,  
3d. Nov. 1784.

HENRY DUNDAS,  
WALSINGHAM,  
W. W. GRENVILLE,  
MULGRAVE.

You are to understand, that it is our intention and express direction, that the debts hereby put in course of payment be made up, with simple interest only, from the time of their respective consolidation, at the rates before specified; and if, notwithstanding the provisions above contained, any deficiency shall arise in the Nabob's payment of twelve lacks of pagodas annually, the whole of what shall be received is to be divided in the same proportion which would have been obtained in the division of the whole twelve lacks, had they been received.

Approved by the Board,

Whitehall,  
3d Nov. 1784.

HENRY DUNDAS,  
WALSINGHAM,  
W. W. GRENVILLE,  
MULGRAVE.

Fort

Fort St. George, 30th October, 1781.

GENTLEMEN,

IN the present scene of difficulties to attend to the general preservation of the presidency, and the advancement of your interests, are objects of sufficient care ; yet the case of the private creditors of the Nabob of Arcot, and of the Rajah of Tanjore, being the case of the most considerable individuals in the settlement, and relating to the greatest part of their fortunes, forces itself upon the attention of government. The present state of the debts is contained in the inclosed papers, of the various methods proposed, or plans pursued, for the liquidation of these debts which are becoming daily more enormous. Some have been disapproved by the parties, and some have failed in the execution. In the replies of the Governor General and Council of Bengal to the late requests of the Nabob, which they consider to have the validity of a treaty, Company's bonds are recommended to be given to the Nabob's creditors for as much of the revenue of the provinces assigned to such creditors as shall be employed in defraying the expences of the war, 25 per cent. is to be deducted in favour of the Nabob from such of the sums due by him as have been assigned by the original creditors, and no interest is to be paid to any creditors

tors from the 25th of Nov. next. By your instructions not to give the Company's security for the Nabob's debts, this presidency seems prohibited from the performance of the conditions of the one part, and on the other several of the creditors have mentioned to me their intention of never acquiescing in the abolition of their interest, or diminution of their capital. After combining with the state of the country, the necessary precautions for the welfare of the Company, the reasonable expences of the debtors, and the justice which is due at least to many of the creditors, I have sketched as a matter of speculation for the present only, a plan for the gradual liquidation of the public and private demands, and for the accumulation of a fund against sudden exigencies. It supposes, what I hope will happen soon, the country freed from war, and restored to its ancient cultivation; but the interval before that period will allow me to receive your sentiments upon it. I have hitherto resisted the solicitation of all parties to adopt it as a public measure.

I have the honour, &c.

M A C A R T N E Y.

To the Chairman, and Deputy  
Chairman, of the Honourable  
East India Company.

**PLAN of ARRANGEMENT, for the RAJAH's Affairs, 1781.**

The nett annual revenue  
of the Tanjore country,  
computed to be at least  
Porto Novo pagodas, 13.00.000

*Annual Disbursements.*

The annual subsidy to the the Company, star pa- godas, 4.00.000, or	4.40.000
Porto Novo Pagodas,	
The annual peshcash to the Nabob, - - -	1.30.000
	5.70.000
For the expences of the Rajah and his family,	2.00.000
	7.70.000

*Debts due by the Rajah of Tanjore.*

Arrears due to the Com- pany about	3.00.000
Deposit money, ———	3.00.000
Peshcash due to the Nabob	6.00.000
	9.00.000
Debts due to individuals,	6.00.000
	18.00.000
Interest on the debt of 600.000, at six <i>per cent.</i> <i>per ann.</i> ———	36.000
To be paid five <i>per cent.</i> on the principal ———	30.000
	66.000

For the Company's arrears due, ———	3.00.000
On account of the peshcash and deposit money, ———	1.64.000
	4.64.000
	5.30.000

13.00.000  
N. B. The



N. B. The arrears due to the Company will be discharged in the first year. The deposit money and the Peshcuth due, amount to

pagodas _____	9.00.000
In the first year will be paid in part, _____	1.60.000
In the second ditto, _____	4.64.000
In the third ditto, _____	2.72.000
Pagodas _____	<u>9.00.000</u>

There will remain in cash in the third year 1.92.000	
To be appropriated to form a public treasure, —	1.92.000
The fourth year, —	4.64.000
The fifth ditto, —	<u>4.64.000</u>

At the end of the fifth year there will be in the treasury, pagodas —	<u>11.20.000</u>
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The debt of six lacks of pagodas, agreeable to the above arrangement, at the end of the fifth year there will be paid (exclusive of the interest) about pagodas \_\_\_\_\_ 1.60.000

The overplus revenue of the sixth year applied to the discharge of the debt, \_\_\_\_\_ 4.64.000

Pagodas 6.24.000

Thus, from the above arrangement, the Tanjore country will in a few years be cleared of all incumbrances, and there will be a public treasure of 11.20.000 pagodas provided against emergencies.

PLAN of ARRANGEMENT for the NABOB's Affairs, 1781

The nett annual revenue of the Nabob, if properly collected, may be fairly computed to produce, in time of peace, star pagodas, —

30.00.000

*The following annual Disbursements.*

For the current expences, troops, stores, &c. including all military charges whatsoever in the Nabob's dominions, to be paid annually to the Company, —

12.00.000

For the Nabob's expences, and Jaghires to all his sons, &c. —

4.00.000

16.00.000

*Nabob's Debts.*

The balance due to the Company, and the expence of the present war, computed at about Debt owing by the Nabob to all other creditors,

30.00.000

70.00.000

100.00.000

Interest at six per cent. on the 70.00.000 pagodas, as due to the creditors, To pay the creditors on account of the principal five per cent. annually,

4.20.000

3.50.000

7.70.000

Towards

Towards the liquidation  
of the Nabob's balance  
to the Company, and  
the expences of the war,  
computed as above, at  
about 30.00.000, —

	6.30.000
	<u>14.00.000</u>
	<u>30.00.000</u>

N. B. The amount of  
the expences of the  
present war, as afore-  
said, about pagodas

30.00.000

From the Carnatic every  
year, to be received in  
part, ———

6.30.000

The pesheash payable to  
the Nabob by the Rajah  
of Tanjore, P. N. pago-  
das, 1.30.000, or star  
pagodas, ———

1.20.000

Star Pagodas

7.50.000

Thus the above debt of 30.00.000 will be discharged in four years, and then the same amount of 750.000 to be appropriated to the formation of a public treasure, for the use of the Carnatic, which in five years will accumulate to 3,750.000, and in the tenth year, the said sum of 750.000 pagodas, to be applied towards discharging the Nabob's debts to individuals. The yearly overplus of the *fix per cent.* allowed for the interest of the debt due to individuals, to be added to the five *per cent.* allowed to discharge the principal of the said debt, by this mode, on the ninth year two thirds of the debt will be paid, and with the addition of the 750.000 as aforesaid, on the tenth year the whole of the debt and interest of *fix per cent.* will be paid; in the 12th year, from the arrangement of the Tanjore country, the distribution of the annual pesheash has been accounted

counted for as aforefaid, but the deposit money and the pefheafh due, which both amounts

	To Pagodas.	
In the first year will be received	1.64.000	900.000
In the fecond, ditto.	4.64.000	
	<hr/>	
In the third, ditto, the balance	6.28.000	
	2.72.000	
	<hr/>	9.00.000
		<hr/>

This fum may be appropriated to pay the cavalry debts of 4.00.000 pagodas, due by the Nabob, and the arrears now due to his feboys, and in the country which alone as above, will amount to very near 500.000 pagodas.

From the above ftatement, the Nabob at the end of the 12th year, from the day the arrangement takes place, will owe nothing. There will be about 3.750 000 pagodas in the treasury; and on the 13th year, the whole revenue of 30.00.000 pagodas *per annum*, will remain clear of any incumbrance.

Dr. *The NABOB to the COMPANY.* Cr.

To the amount sup- posed for balance to the Company and expence of the war	30.00.000	By the payment from the reve- nue the first year	6.30.000
		By the peshcush of Tanjore	1.20.000
		First year -	7.50.000
		Second ditto -	7.50.000
		Third ditto -	7.50.000
		Fourth ditto -	7.50.000
Pagodas	30.00.000	Pagodas	30.00.000

*The PUBLIC TREASURY for the Use of the*  
 Dr. CARNATIC. Cr.

Remains in the treasury at the end of the 9th year of this ar- rangement	37.50.000	By the revenue of the Carnatic and the peshcush of Tanjore as a- foresaid, appro- priated for this purpose every year . 750.000 viz.	
		The fifth year	750.000
		Sixth ditto -	750.000
		Seventh ditto -	750.000
		Eighth ditto -	750.000
		Ninth ditto -	750.000
Pagodas	3750.000	Pagodas	37.50.000

Dr.

Dr. *The Debt due to Individuals.* Cr.

<p>To the total debt 70.00.000</p>	<p>By receipts of every year 350.000, on account of the principal, for nine years</p>	<p>31.50.000</p>
	<p>By overplus of the interest, reckoning from the second year to the 9th year, viz.</p>	
	<p>The second year 21.000</p>	
	<p>Third ditto - 22.260</p>	
	<p>Fourth ditto - 23.595</p>	
	<p>Fifth ditto - 25.071</p>	
	<p>Sixth ditto - 26.575</p>	
	<p>Seventh ditto - 28.170</p>	
	<p>Eighth ditto - 29.860</p>	
	<p>Ninth ditto - 31.651</p>	
		208.182
	<p>By receipt on the 10th year</p>	
	<p>The sum a 5 per cent. 350.000</p>	
	<p>The overplus in- terest on the 10th year - 33.550</p>	
	<p>The 750.000 to be appropriated on the 10th year to the discharge of the debts - 750.000</p>	
		11.33.550
	<p>The 11th year the sum as aforesaid 11.33.550</p>	
	<p>The overplus of the interest - 68.025</p>	
		12.01.575
	<p>The 12th year - 12.73.881</p>	
		69.67.188
<p>70.00.000</p>		<p>69.67.188</p>

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## O B S E R V A T I O N S .

A public treasure has, by the experience of all ages, been found to contribute to the permanency of a state, by enabling it to withstand the shock of sudden attacks; but it is not meant by the establishment of a treasury, that large quantities of specie, should in the interim of public exigences, be uselessly locked up; on the contrary it is intended, that the money should be circulated in such a manner as to encrease the stock of the Company with perfect security, and at the same time to promote the commerce, and consequently the riches of the country.

For this purpose, the treasury should be a kind bank or lombard, one third of the stock to be always in specie untouched, and two thirds to be employed in discounting good bills, and to be lent on valuable pledges, at an interest never to exceed six per cent. per annum.

Thus,

Thus, Madras, instead of being a shop of piteous usury, would become a city of honourable commerce, of opulence, instead of misery, and of real resource instead of temporary expedient.

These ends are much promoted by the facility of throwing personal effects into circulation. Thus the bonds to be given by the Nabob and the Rajah, should be subdivided into such sums as are daily transferable in the ordinary course of traffic, bearing interest, and perfectly secured by the present engagements. They will be preferred like India bonds in England to the possession of unproductive specie. If the bonds were divided into several classes, according to the priority of the demands for which they were given, or in a fixed proportion to the amount of each creditor, and those periods were settled at which the bonds of each class should be received as money in the Company's treasury, it would be approaching them to the nature of convertible specie; still add to the activity of their circulation, this is a point to be considered hereafter.

As the sum allotted for the Nabob's expences, may be considered as too small, I propose to encrease it by two lacks of pagodas. It seems but reasonable that the tributary Rajahs and Polygars of the Carnatic, should pay a proper portion of their revenues to the state whose protection they enjoy.

I should



I should therefore think, that in addition to what they now pay, a new assessment of two lacks should take place under the sanction and guarantee of the Company, which should remain the rate for ever, hereafter beyond the Nabob's power to augment it. In order to obtain such a security, the Rajahs and Polygars would, it is thought, readily consent to the proposed assessment.

Thus, then the Nabob would stand with respect to the Rajahs six to two, in respect to allowances; and as thirty to eleven, in respect to revenue.

It may perhaps be asked, why the Rajah's creditors are to be paid in six years, and the Nabob's in twelve. The only reason *now* to be given is, the the Nabob's debts are much larger than the Rajah's; that they must necessarily take a much longer time in paying.

N. B. In the general plan as above, if the revenues, which are estimated from the best information that could be obtained, should fall short, a proportional reduction of all the sums allotted to particular purposes, must take place, except the sum appropriated to the payment of the six per cent. interest, which ought to remain inviolable.

Thus,